

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	69924	Agenda Number	11.
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Meeting Date:	5/11/2017	Department:	Telecommunications and Reg Affairs
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Subject

Set a public hearing regarding CenterPoint's proposal to increase customer gas rates. (Suggested date and time June 15, 2017 at 4:00 p.m. at City Hall; 301 W. Second Street, Austin, TX)

Amount and Source of Funding

N/A

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Implementation of CenterPoint's proposed rate increase suspended by 45 day on April 20, 2017.
For More Information:	Rondella M. Hawkins, TARA Officer; (512) 974-2422
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Pursuant to the Gas Utilities Regulatory Act, the City has original jurisdiction over privately owned gas utility rates set for customers within its city limits.

On March 30, 2017, CenterPoint Energy Resources Corp., South Texas Division ("CenterPoint") filed its Gas Reliability Infrastructure Program (GRIP) filing in Austin and in the other cities that it serves in the South Texas Division. This filing was made in compliance with the Texas Utilities Code, Section 104.301 which allows a gas utility to make interim rate adjustments in order to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases. CenterPoint proposed an effective date of May 29, 2017 for the interim rate adjustment. The collective increase is \$30,316,196 to the monthly customer charges in the CenterPoint South Texas Division.

Based on company-provided information, the proposed assessment will increase the monthly customer charge per customer class as follows:

Rate Schedules	Current Customer Charge	2017 “GRIP” Adjustment	Adjusted Charge
Residential	\$21.20 per customer per month	\$2.04 per customer per month (9.6%)	\$23.24 per customer per month
General Service Small	\$34.74 per customer per month	\$4.13 per customer per month (11.9%)	\$38.87 per customer per month
General Service Large Volume	\$188.15 per customer per month	\$25.06 per customer per month (13.3%)	\$213.21 per customer per month

CenterPoint has approximately 700 customers in southeast Austin primarily in the Goodnight Ranch area located east of IH-35, west of Thaxton Road, south of E. William Cannon Drive, and north of Highway 1327. On April 20, 2017 the City Council suspended the effective date of proposed rate increase from May 29, 2017 until July 13, 2017, to allow additional time to review the filing to ensure it complies with statute.

Article XI of the City Charter requires that City Council conduct a public hearing before taking action on the proposed rates.